

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3645-02
Bill No.: HCS for HB 1725
Subject: Education, Elementary and Secondary: Teachers
Type: Original
Date: April 26, 2002

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
General Revenue	(\$204,775 to Unknown)	(\$216,755 to Unknown)	(\$222,618 to Unknown)
Total Estimated Net Effect on <u>All</u> State Funds*	(\$204,775 to Unknown)	(\$216,755 to Unknown)	(\$222,618 to Unknown)

*Subject to appropriation

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
School Districts	Unknown	Unknown	Unknown

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Elementary and Secondary Education (DESE)** assume DESE would require 1.0 FTE Supervisor and 1.0 FTE Administrative Assistant to establish grant criteria, print and distribute copies of criteria to school districts, develop grant application forms, review proposals, award grants based on priority classifications, and administer the program. Costs for grant development, printing, distribution, and reader services should be less than \$100,000 annually. **Oversight** assumes costs for grant development, other than personnel, could be absorbed with existing resources.

DESE assumes that if a tutor spends 80 hours per month as a volunteer pursuant to this proposed program, the tutor would be eligible to receive reimbursement for approximately 30 credit hours of higher education for courses taken in mathematics, English, science, language arts, or social sciences. Theoretically, at 15 hours per semester, the tutor could be eligible for reimbursement of his entire degree. Based on this assumption, and assuming 100 tutors in the program the first year with tuition and fees calculated at \$4,726, the total reimbursement cost would be \$472,600. DESE also assumes an additional 100 tutors each year for the first four years of the program.

Oversight assumes that time constraints would limit most tutoring time to a maximum of two hours a day, four days a week. Assuming a nine month school year, total hours spent tutoring would be closer to 300 hours a year resulting in nine hours of potential tuition reimbursement per tutor. At an average per credit hour cost for a public, four-year institution of \$125, the first year costs could be approximately \$1,125 per tutor. Assuming 75% of the tutors (based on 100 available tutors) took advantage of the program, total first year tuition reimbursement would be about \$84,375. **Oversight** notes that the introduced version of this proposed legislation limited the program to urban school districts. The House Committee Substitute removes that limitation, so the number of tutors participating in the program could increase significantly.

Officials from the **Coordinating Board of Higher Education** indicated the need for a 0.5 FTE at the research associate level who would be responsible for working with those doing related work at DESE to obtain and place tutors for the program. The costs associated with reimbursement to tutors is unknown, as it will depend on the number of tutors, the number of tutoring hours, and where they attend college.

Officials from the **Secretary of State's Office (SOS)** assumed the rules, regulations and forms issued by the Department of Elementary and Secondary Education and the State Board of Education could require as many as 10 pages in the *Code of State Regulations*. For any given rule, roughly half again as many pages are published in the *Missouri Register* as in the Code because cost statements, fiscal notes and the like are not repeated in the Code. These costs are estimated. The estimated cost of a page in the *Missouri Register* is \$23. The estimated cost of a

ASSUMPTION (continued)

page in the *Code of State Regulations* is \$27. The actual costs could be more or less the SOS's estimated cost of \$615 for FY 2003. The impact of this legislation in future years is unknown and depends upon the frequency and length of rules, filed, amended, rescinded or withdrawn.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

Officials from the **St Louis Public Schools** state that the district could incur some costs to implement tutoring program and integrate them with existing tutorial programs. These costs could be offset by grant revenue funds received.

Officials from the **Kansas City Missouri School District** indicated passage of this legislation would have a positive fiscal impact on the district based on the receipt of grand funds to cover the cost of technical assistance for the tutors and the tutors receiving pay in the form of reimbursement from the state for college courses.

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
GENERAL REVENUE			
<u>Cost</u> - Dept of Elementary and Secondary Education (DESE)			
Personal Services 2 FTE	(\$49,115)	(\$60,411)	(\$61,921)
Fringe Benefits	(\$17,686)	(\$21,754)	(\$22,298)
Equipment and Expense	<u>(\$8,893)</u>	<u>(\$1,648)</u>	<u>(\$1,698)</u>
Total <u>Cost</u> - DESE	(\$75,694)	(\$83,813)	(\$85,917)
<u>Cost</u> - Coordinating Board for Higher Education (CBE)			
Personal Services 1 FTE	(\$27,333)	(\$33,620)	(\$34,461)
Fringe Benefits	(\$9,843)	(\$12,107)	(\$12,409)
Equipment and Expense	<u>(\$7,530)</u>	<u>(\$309)</u>	<u>(\$318)</u>
Total <u>Cost</u> - CBE	(\$44,706)	(\$46,036)	(\$47,188)
<u>Cost</u> - Grants to urban schools for tutoring and technical assistance*	(Unknown)	(Unknown)	(Unknown)
GENERAL REVENUE (continued)			
<u>Cost</u> - Tuition reimbursement to tutors*	<u>(\$84,375 to Unknown)</u>	<u>(\$86,906 to Unknown)</u>	<u>(\$89,513 to Unknown)</u>

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
ESTIMATED NET EFFECT ON GENERAL REVENUE	(\$204,775 to Unknown)	(\$216,755 to Unknown)	(\$222,618 to Unknown)
*Subject to appropriation			
<u>FISCAL IMPACT - Local Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
SCHOOL DISTRICTS			
<u>Income</u> - Grants for tutoring and technical assistance	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This proposed legislation creates a joint program administered by the Department of Elementary and Secondary Education and the Department of Higher Education to provide grants and technical assistance for volunteer tutors in school districts with high poverty populations. Grants will be need-based, and the Department of Elementary and Secondary Education will establish qualifications for school districts, with highest priority given to districts with more than 70% of their students eligible for free and reduced price meals. The departments will coordinate efforts to obtain and place tutors, who must be at least 18 years old. Tutors will be eligible to receive reimbursement for three credit hours of higher education in specified subjects at a public college or university for every 100 hours of tutoring.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.


SOURCES OF INFORMATION

Department of Elementary and Secondary Education
 Coordinating Board for Higher Education

LMD:LR:OD (12/01)

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Office of Secretary of State
Administrative Rules Division
Kansas City Missouri School District
St Louis Public Schools

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Acting Director
April 26, 2002